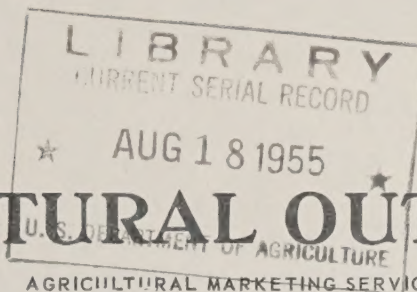


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

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High feed production features the outlook for the 1955 crop season.

Prospects July 1 pointed to the second largest corn, oats and barley crops on record. Acreage in sorghums is at a new peak. Total output of the 4 grains is estimated at 136 million tons, 14 million above last year and 17 above average. In addition, carryover at the end of this feeding season is likely to total at least a fifth larger than last year's record of 32 million tons. Hay production this season is expected to top all past marks.

Much of the increase in feed production is coming on land taken out of crops under allotment. Wheat production and cotton acreage are down considerably from a year ago. Declines in output also are expected for tobacco, sugar crops, dry peas and hops.

Output of all crops this year, on the basis of July 1 conditions, is expected to total second largest on record. With meat animal, dairy and poultry production at record levels, total output of all farm products in 1955 probably will reach a new high.

LIVESTOCK. Rapidly increasing hog production is pushing meat production to another record. Consumption per person in 1955 probably will be around 160 pounds, compared with 153 last year. The record is 163 pounds in 1908.

Farmers produced 9 percent more pigs this spring than last. They intend to have 11 percent more sows farrow this fall. This points to a 1955 pig crop of 101 million, only a million less than the peacetime record of 1951.

Plentiful supplies of feed at lower prices have stimulated hog raising. So have the price declines for cattle, dairy and poultry products over the last 2 or 3 years. In addition, some farmers who have taken land out of wheat and cotton because of quotas apparently are producing more hogs.

Supply of pork per person this year is expected to be 6 or 7 pounds above 1954 level of 60 pounds, a 16-year low, and about at the average of the postwar period. Consumers are spending a smaller proportion of their income for pork than formerly.

Hog prices will decline seasonally this fall and are expected to be considerably lower than last fall. By winter, they may be not greatly different from the lower levels of last winter.

Cattle production, in contrast to hogs, is stable. Numbers of farms have changed little for more than 2 years...probably are not changing much this year. Slaughter so far in 1955 indicates a small decrease is more likely than an increase.

DAIRY: Recent developments point to increased production of milk late this year or in 1956. Prices of milk and butterfat have become more favorable compared with other livestock products and feed than in the last two years. The record supplies of feed grain and hay also will tend to boost output.

POULTRY AND EGGS. Egg prices this fall are expected to rise considerably above the unusually low level of last fall. Increase will come from lower production expected because of reduced number of young chickens on farms.



Crop of heavy turkeys this year is expected to be close to last year's record but is coming along later. Marketings early this fall are likely to be smaller than last year and prices may be higher. Slaughter in November and December probably will be about up to last year's level.

Broiler chick placements and number of eggs in incubators indicate marketings will continue large through September.

WHEAT. The crop this year, estimated at 860 million bushels on July 1, is a little less than probable disappearance in 1955-56. Prices early in the season probably will not fall as far below the loan as in other recent years. Average for the year may be around \$2.

COTTON. Farmers had 17,096,000 acres in cultivation on July 1, over a million less than the 1955 allotment and 2.7 million less than the acreage a year earlier. First official report on production will be issued August 8.

FATS AND OILS. We are using or exporting a tenth more food fats in the October, 1954-September 1955 marketing year than in 1953-54. Exports are up most but domestic use also is higher. Stocks next October 1 will be sharply below high levels of last 2 years. As a result, supplies for 1955-56 may be 5% below 1954-55, even though record production is likely.

FRUIT. Bigger crops than last year are expected for grapes, cherries, fresh plums, apricots, Pacific Northwest prunes and strawberries according to July 1 conditions. The pear crop will be about the same as last year's. But peaches, California dried prunes and apples will be down. Outlook is favorable for 1955-56 citrus production.

VEGETABLES. Output of fresh vegetables and melons this summer is expected to be well above last year or average. Cantaloups, sweet corn, cucumbers, eggplant, garlic, green peas, spinach, tomatoes and watermelons are expected to be up substantially. Moderate reductions are in prospect for lima beans, carrots, honeydews and lettuce.

Potato production this year will increase 12% over 1954 to 400 million bushels, according to July 1 estimates. Yield this year is forecast at 277 bushels per acre, 24 bushels above the previous record set in 1950. Prices this summer and fall are likely to be lower than in the same period last year.

TOBACCO. Production this year is expected to total 2,173 million pounds, 3% below 1954. The flue-cured crop of 1,412 million pounds is 7% above last year and second largest on record, but the burley crop of 502 million is down a fourth.

ECONOMIC ACTIVITY. Output of all goods and services in the U. S. in the second quarter of this year was at an annual rate of 383 billion dollars, a new record. Consumer income, employment, industrial production and construction activity were at new highs.

Further increases in economic activity are likely. Record consumer purchasing power is expected to continue to hold retail sales high. Businessmen plan increased investments for the third quarter. Construction activity is expected to stay high.